

# Orange County Economic Forecast

Orange County has a population of over 3.05 million people. There are more than 1.4 million wage and salary jobs located in the county. Employment growth in the services such as healthcare, information, and professional services remains strong. However, employment in manufacturing, which accounts for almost 13 percent of total employment in the county, continues to decline.

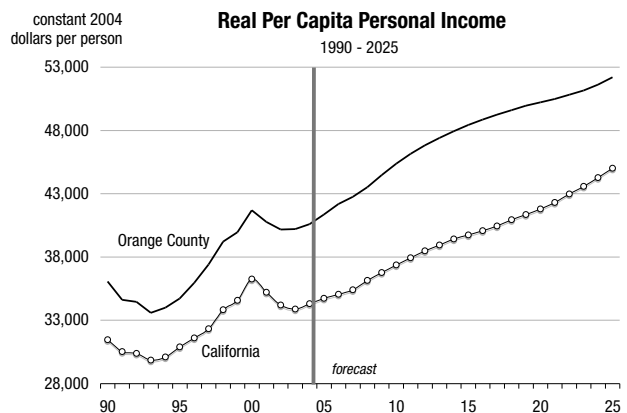
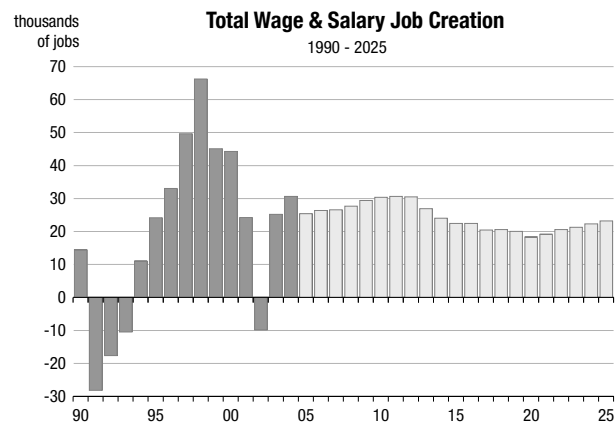
Economic growth in Southern California was impressive in 2004 compared to the northern half of the state. Almost 31,000 jobs were created in Orange County last year, which represents a growth rate of 2.1 percent. The unemployment rate rose slightly to 4.3 percent last year, but this rate is still indicative of a tight labor market.

The fastest growing city in the county is Irvine, which grew 5.1 percent from January 2004 to January 2005. Over 180,000 people currently live in Irvine which makes it the fourth largest city in the county. Santa Ana and Anaheim are the two largest cities in the county, each with over 345,000 residents, and each city grew by 0.6 percent in the last year.

Employment and population continue to grow at a healthy rate in Orange County. High housing prices and cost of living in the county, however, will continue to give inland communities a competitive advantage in job creation over the next several years.

## Forecast Highlights

- Job growth declines slightly in 2005, averaging 1.7 percent. Job growth remains at about this level in 2006. Over the next five years, the average annual growth rate is 1.8 percent per year.
- Average salaries adjusted for inflation are currently well above the California state average, and will remain so over the foreseeable future. Real average salaries rise an average of 1.2 percent per year over the next 5 years.
- The services sector remains the growth engine of jobs in Orange County. Employment in health care and education and leisure services is expected to grow by an average of 2.3 percent per year between 2005 and 2010. Employment in professional and business services is expected to grow by over 3 percent per year for the next five years.
- The population will continue to grow in the county, but at a slower rate than it did over the past five years. Annual growth in the 2005 to 2010 period averages 1.1 percent per year. The slowdown in population growth is largely due to the fact that net migration in Orange County is decreasing every year.

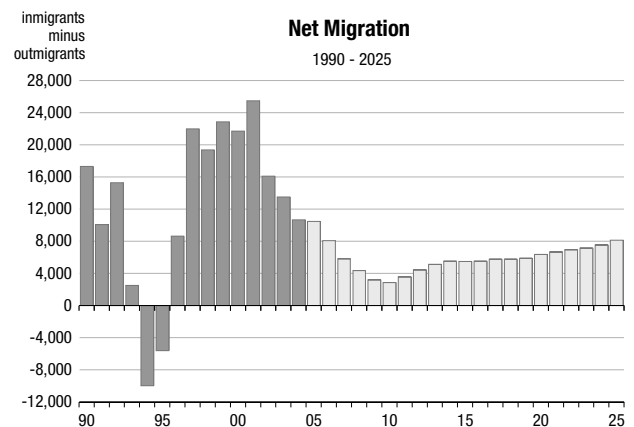
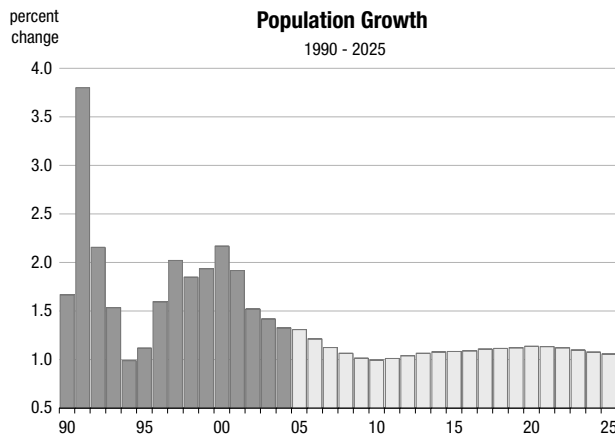


- Net migration falls in 2005 to 10,500 persons. Migration continues to shrink over the next five years.
- Real per capita incomes increase at a rate of 2.0 percent in 2005. An annual compound rate of growth of 1.9 percent is forecast over the next 5 years.
- Industrial production will increase by 1.6 percent in 2005. Over the next five years the growth rate of industrial production will increase, averaging gains of 3.5 percent per year.

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## 1995-2004 History, 2005-2025 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1995	2,604,500	-5,597	2.02	865	8,279	\$29.9	\$72.4	\$34,719	1.6	292.2	19.3	5.1
1996	2,646,100	8,641	2.06	875	10,207	\$32.5	\$77.5	\$35,959	1.7	290.8	20.3	4.1
1997	2,699,600	21,990	1.98	883	12,251	\$34.9	\$83.6	\$37,413	1.7	333.3	21.9	3.2
1998	2,749,500	19,373	2.12	893	10,101	\$37.1	\$90.6	\$39,224	1.4	347.5	23.2	2.9
1999	2,802,800	22,870	2.16	901	12,348	\$40.4	\$96.3	\$39,965	2.3	397.4	24.7	2.6
2000	2,863,552	21,704	2.25	935	12,367	\$44.5	\$106.0	\$41,690	3.3	412.7	27.4	2.5
2001	2,918,467	25,477	2.31	942	8,646	\$44.6	\$109.2	\$40,767	3.4	347.6	22.8	3.0
2002	2,962,903	16,111	2.37	951	12,020	\$44.9	\$112.3	\$40,171	2.8	365.0	21.8	4.2
2003	3,004,921	13,505	2.36	959	9,311	\$47.5	\$116.9	\$40,210	2.6	322.0	23.2	3.8
2004	3,044,819	10,678	2.37	968	9,316	\$50.6	\$123.6	\$40,589	3.3	333.0	24.1	4.3
2005	3,084,703	10,490	2.40	976	8,526	\$54.3	\$131.0	\$41,362	2.7	321.8	24.5	4.2
2006	3,122,152	8,085	2.42	984	8,103	\$57.8	\$138.7	\$42,187	2.5	308.9	24.9	4.4
2007	3,157,284	5,826	2.45	991	7,979	\$61.3	\$145.6	\$42,751	2.4	325.1	25.9	4.5
2008	3,190,897	4,376	2.49	998	8,183	\$65.2	\$153.3	\$43,516	2.3	331.1	26.9	4.5
2009	3,223,312	3,218	2.52	1,006	8,610	\$69.3	\$161.7	\$44,466	2.2	319.5	28.0	4.5
2010	3,255,412	2,875	2.56	1,014	9,113	\$73.6	\$170.8	\$45,380	2.4	306.2	29.1	4.6
2011	3,288,388	3,569	2.60	1,022	9,659	\$78.3	\$179.9	\$46,157	2.5	292.1	30.2	4.6
2012	3,322,619	4,453	2.64	1,031	10,238	\$83.1	\$189.2	\$46,824	2.6	277.7	31.4	4.5
2013	3,357,995	5,139	2.67	1,040	10,429	\$87.9	\$198.8	\$47,402	2.7	273.4	32.6	4.3
2014	3,394,280	5,512	2.71	1,050	10,584	\$92.8	\$208.7	\$47,938	2.7	256.0	33.9	4.3
2015	3,431,130	5,484	2.74	1,059	10,835	\$97.9	\$219.2	\$48,431	2.8	249.8	35.0	4.4
2016	3,468,620	5,516	2.77	1,069	11,211	\$103.1	\$229.7	\$48,868	2.8	231.2	36.1	4.4
2017	3,507,054	5,769	2.79	1,080	11,382	\$108.6	\$240.2	\$49,240	2.6	234.4	37.4	4.5
2018	3,546,156	5,769	2.82	1,090	11,703	\$114.1	\$250.9	\$49,610	2.5	222.3	38.9	4.5
2019	3,586,005	5,894	2.84	1,101	11,915	\$119.9	\$261.9	\$49,952	2.5	199.5	40.3	4.5
2020	3,626,823	6,371	2.87	1,111	11,877	\$125.8	\$272.8	\$50,219	2.4	199.8	41.8	4.5
2021	3,668,029	6,676	2.89	1,122	11,830	\$131.9	\$284.0	\$50,484	2.4	185.9	43.2	4.4
2022	3,709,230	6,969	2.91	1,133	11,759	\$137.9	\$296.0	\$50,819	2.4	192.1	44.4	4.4
2023	3,750,044	7,160	2.93	1,144	11,576	\$144.0	\$308.9	\$51,160	2.5	181.8	45.9	4.4
2024	3,790,457	7,540	2.96	1,154	11,407	\$150.6	\$322.8	\$51,619	2.5	160.2	47.4	4.3
2025	3,830,551	8,149	2.98	1,165	11,230	\$157.8	\$338.1	\$52,213	2.4	131.0	49.0	4.3



# Orange County Employment Forecast

## 1995-2004 History, 2005-2025 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
1995	1,158	6.26	51.6	190.7	30.4	196.9	85.1	182.2	28.8	98.9	120.5	128.2
1996	1,191	6.74	54.5	200.4	29.2	202.3	85.8	186.4	29.1	103.1	124.4	129.7
1997	1,241	6.93	59.2	208.7	28.9	208.7	91.8	196.5	32.5	106.2	127.6	132.7
1998	1,307	6.47	64.8	215.0	27.7	218.9	99.8	220.6	34.7	108.2	131.3	136.4
1999	1,352	6.99	72.2	213.3	28.6	225.1	100.7	235.7	36.5	110.3	137.9	141.1
2000	1,396	7.63	77.0	216.7	30.4	228.7	100.8	248.8	41.5	112.8	140.7	146.6
2001	1,421	7.09	80.7	208.5	30.4	234.0	105.9	248.4	40.2	114.6	154.3	150.9
2002	1,411	7.26	79.2	190.8	28.7	233.8	110.2	248.8	36.8	118.4	155.4	155.1
2003	1,436	7.16	83.7	183.9	29.0	236.0	122.2	252.6	35.2	126.3	158.6	154.2
2004	1,467	6.87	91.8	183.3	29.2	235.1	131.2	259.7	33.5	130.4	164.6	153.2
2005	1,492	6.84	97.0	182.9	29.5	237.8	136.1	267.4	33.6	132.4	167.2	153.1
2006	1,519	6.79	99.8	182.8	29.8	241.9	140.6	274.7	33.7	135.7	170.3	153.9
2007	1,545	6.79	101.7	182.0	30.2	247.6	143.0	282.9	34.3	138.4	173.8	155.3
2008	1,573	6.81	103.5	180.8	30.6	252.6	144.0	291.9	35.4	141.8	178.0	157.0
2009	1,602	6.79	104.3	180.1	31.0	258.1	145.7	301.0	36.5	145.4	182.6	158.9
2010	1,633	6.75	104.8	179.6	31.5	264.5	147.0	310.5	37.5	148.9	187.5	160.8
2011	1,664	6.68	105.4	180.2	32.0	270.6	149.0	320.1	38.5	151.2	192.3	162.6
2012	1,694	6.60	106.2	180.5	32.5	276.4	151.0	329.3	39.3	154.6	196.9	164.6
2013	1,721	6.53	107.0	180.5	33.0	281.8	151.8	337.6	39.9	157.7	201.3	166.6
2014	1,745	6.44	107.6	179.9	33.5	286.9	152.6	344.8	40.4	160.2	205.5	168.6
2015	1,768	6.36	107.9	178.9	34.0	291.7	153.0	350.9	40.7	163.8	209.4	170.8
2016	1,790	6.25	108.6	179.0	34.5	296.4	153.8	355.6	41.2	167.3	213.1	173.0
2017	1,811	6.18	108.9	179.1	35.0	301.1	154.6	359.6	41.6	169.9	216.6	175.2
2018	1,831	6.10	109.5	179.3	35.6	305.6	155.4	363.1	42.1	172.8	220.1	177.7
2019	1,851	5.99	110.0	179.4	36.1	309.8	156.4	366.4	42.4	175.6	223.3	180.2
2020	1,870	5.91	110.3	178.4	36.7	313.7	157.4	369.5	42.6	178.5	226.4	183.0
2021	1,889	5.82	110.8	178.6	37.3	317.4	158.4	372.5	42.8	181.1	229.5	185.7
2022	1,909	5.76	111.2	180.2	37.9	321.4	159.2	375.4	43.1	183.5	232.8	188.5
2023	1,931	5.70	111.9	182.0	38.5	325.2	160.2	378.2	43.4	186.0	236.1	191.3
2024	1,953	5.60	112.9	183.8	39.2	329.2	161.5	380.9	43.8	188.4	239.6	194.2
2025	1,976	5.46	114.0	185.6	39.8	333.2	163.1	383.6	44.4	191.1	243.2	197.2

